ALBERTA AGRICULTURE - MARKET DEVELOPMENT

STRATEGIC PLAN - 1983/87

The economies of Canada, and Alberta, depend to a large extent on the export of agricultural and food products, particularly under the current recessionary times that exist in Canada and most of the rest of the world. Canada is one of four (4) countries in the world that are net exporters of food. Improved market access and the diligent pursuit of every marketing opportunity at home and abroad is essential for the expansion and development of our agricultural industry and to our economic well-being.

Due to world-wide economic pressures all agriculture and food producing countries are seeking ways to ensure self-sufficiency, increasing producer returns and expanding exports, hence the competition in world and domestic markets will continue to be strong. The restructuring of the Market Development Division, together with a larger, well-equipped Agri-food Development Branch, will provide a better focused approach to assist Alberta exporters to respond to these challenges this year and in subsequent years. Not only will there be a need for these two groups and the rest of the Department to work closely together to meet these new and growing challenges but it will also be necessary for Alberta companies to "maintain" many of the existing and traditional markets in the period 1983-88. Market Development in a recessionary economic climate is a very important and real challenge. An immediate challenge will be to help companies survive in order to meet longer term market opportunities.

Even the market in Canada will be difficult in the next few years given the very slow economy in Canada. Alberta economically is really the only bright spot in Canada but even here the demand for food in Alberta only exceeds the rate of population growth by a very narrow margin. There are however some very exciting opportunities for further

processing, new packaging and marketing techniques that can be used to reach the consumer that can turn latent demand into actual demand. In addition, import replacement offers some real opportunities. Food technology and knowledge of the food industry are probably the key contributors that will aid in the realization of these opportunities.

Market development programs developed with the industry and implemented cooperatively as the program implemented through the Alberta Food Processors Association (AFPA) and other programs that may be developed substantially help in the development of the Alberta market for Alberta products. Albertans prefer to buy Alberta products if they know what they are i.e. labelled as Alberta products, and if the price and quality are competitive. AFPA programs help identify product as "Alberta" but more progress is needed in ensuring products are identified as Albertan even if processed and packed by companies with head offices in other parts of Canada. There will continue to be a heavy involvement by department staff in AFPA, in Agriculture Week and Restaurant Month. AFPA could be an important vehicle in developing markets in other parts of Canada and the Northwestern U.S. as it has been in Alberta.

The agriculture and food industry in Alberta is recognized as the most important long term renewable resource in the province. For this industry to meet its full potential export as well as domestic markets must be fully exploited. With 9% of Canada's population producing 20% of Canada's food, Albertans are already lining up to the challenge.

Alberta's and Canada's food and agricultural exports are heavily concentrated in the grains and oilseeds sector. However, exports of meat products, breeding stock, honey, vegetables, and other non-grain products have show increases in recent years. Canada's top ten exports in 1981 were wheat, barley, canola, fresh and frozen pork, flaxseed, hard spring wheat flour, live cattle, fresh and frozen beef, evaporated milk and skim milk powder.

Significant changes in the Crow rate for Western Canadian grain and oilseeds were announced in early 1983. Canola crushers appear to be most affected in the short run. On a positive note, rates for seed and

products, oil and meal were equalized thus relieving crushers of the disbenefit they faced in competing against export seed. New off-shore markets should now be attainable particularly through the West Coast. On a negative note, there is concern that traditional markets for oil and meal in Eastern Canada will be lost to Eastern Canadian canola and soybean crushers due to the loss of preferential rates east of Thunder Bay. These two develop-ments will require Market Development's involvement in assisting the industry to obtain new markets.

In the longer term, livestock production and the related value-added slaughtering and processing industries should benefit as the relative price of feed grains in Western Canada decreases as producers receive more and more of the Crow payment. Alberta beef, pork and poultry producers should see their relative cost of production decrease vis-a-vis non-Prairie producers. Market Development will be required to adjust its strategies over this period to correspond to increasing supplies of meat and meat products.

The value of Canadian agricultural exports in 1981 was $8.8 billion. This was an increase of $1.0 billion or 14 percent over 1980. 1982 should be another record year for Canada's exports. Agricultural imports increased by $483 million to a total of $5.6 billion. Canada's net trade balance in agricultural products was a surplus of $3.2 billion, up $500 million from 1980.

Agricultural exports in 1980 represented 10.6 percent of total Canadian exports. Canada's net trade balance in agricultural products in 1980 was 52 percent of the country's total trading surplus.

Export/import statistics for the last eight years are summarized in the following table:

C A N A D A[1]

YEAR	EXPORTS		IMPORTS		NET EXPORTS		
	ALL PRODUCTS (2) SM	AGRICULTURAL PRODUCTS (2) SM	ALL PRODUCTS (3) SM	AGRICULTURAL PRODUCTS (4) SM	ALL COMMODITIES (1-3) SM	AGRICULTURAL PRODUCTS (2-4) SM	AGRICULTURAL PRODUCTS AS % OF SURPLUS
1974	31,674	3,860 (12.2)*	31,692	2,929 (8.9)*	(18)	1,031	------
1975	32,325	3,940 (12.2)*	34,635	2,892 (8.3)*	(2,310)	1,048	------
1976	37,259	3,060 (10.6)*	37,433	3,129 (8.4)*	(174)	831	------
1977	43,327	4,264 (9.8)*	42,068	3,555 (8.5)*	1,259	709	56.3
1978	51,719	4,830 (9.3)*	49,684	4,013 (8.1)*	2,035	817	40.1
1979	64,194	6,108 (9.5)*	62,677	4,681 (7.5)*	1,517	1,427	94.1
1980	74,229	7,845 (10.6)*	68,979	5,107 (7.4)*	5,250	2,738	52.2
1981 to Sept '82	84,221	8,778	76,722	5,611	7,499	3,167	42.2

*Agricultural exports/imports as a percentage of total exports and imports.

[1]Source: Stats Can 420 5020

ESTIMATED OUT-OF-PROVINCE SHIPMENT VALUES, 1978-1982

Commodity	1978	1979	1980	1981	1982[p]
			- millions of dollars -		
Wheat	309	475	719	1,107	989
Durum	19	32	74	85	92
Oats	21	15	24	29	39
Barley	258	390	412	840	588
Rye	11	16	34	38	24
Flaxseed	10	20	31	20	17
Canola/Rapeseed	204	299	258	241	199
Mustard Seed	9	4	8	7	12
Wheat Flour	37	39	59	65	60
Honey	9	12	13	13	10
Malt	29	31	n/a	n/a	n/a
Forage Seeds	11	13	14	11	12
Rapeseed Meal	26	12	17	15	16
Rapeseed Oil	33	36	55	48	53
Vegetables	3	3	5	4	4
Alfalfa	8	13	11	8	9
Potatoes	3	3	4	3	4
TOTAL CROP ORIGIN	1,000	1,413	1,738	2,534	2,128
Beef and Veal	624	747	701	663	606
Pork	85	34	105	108	99
Hides and Skins	40	58	43	36	49
Furs	1	2	2	1	1
Semen	2	2	3	3	3
Live Cattle	115	151	168	130	155
Sheep and Lambs	1	1	1	*	1
Live Hogs	6	4	6	4	5
TOTAL ANIMAL ORIGIN	874	999	1,029	945	919
Other	34	38	43	54	45
TOTAL EXPORTS	1,908	2,450	2,810	3,533	3,092

n/a Not available

* Less than $500,000

p Preliminary

March 10, 1983
Statistics Branch
Alberta Agriculture
MA:pw
M230B/031083/T01

ALBERTA AS PER CENT OF CANADIAN PRODUCTION

	1978	1979	1980	1981	1982[P]
CROPS	23	24	27	26	25
Wheat (All varieties)	20	23	28	25	22
Oats	32	38	42	39	37
Barley	48	54	53	49	47
Flaxseed	9	14	18	12	10
Canola/Rapeseed	40	42	46	42	44
Rye	37	33	41	34	27
Tame Hay	25	24	25	24	23
Sugar Beets	50	59	60	59	45
Mixed Grains	15	16	14	14	11
Peas (Dry)	8	9	10	11	11
Mustard Seed	23	27	28	23	34
Potatoes	6	6	8	7	7
Honey	30	31	35	30	26
Fodder Corn	2	3	3	3	4
FORAGE SEEDS**	51	44	49	44	35
VEGETABLES***	2	2	2	2	1
Cabbage	2	3	3	3	5
Carrots	2	2	3	2	3
Cucumbers	*	*	1	1	1
Onions	1	*	2	2	1
Rutabagas	2	2	2	2	2
ANIMAL PRODUCTS	11	11	11	11	11
Beef	41	43	42	41	39
Veal	6	2	2	3	2
Pork	13	13	14	13	12
Mutton and Lamb	37	41	36	34	38
Poultry Meat	12	11	10	11	9
Eggs	9	10	10	9	9
Dairy	8	8	8	8	8
TOTAL PRODUCTION	22	22	25	24	23

* Less than 0.5%

** Includes Alfalfa, Alsike Clover, Sweet Clover, Red Clover (single-cut), Brome Grass, Timothy Grass, Crested Wheatgrass, Creeping Red Fescue.

*** Includes other vegetables not listed

n/a Not available

P Preliminary

Statistics Branch
Alberta Agriculture
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M230B/031483/T01

The USSR, the EEC, Japan, the United States and China are Canada's five major export markets for agricultural and food products. Total exports to the USSR in this field were $1.8 billion in 1981, (albeit principally wheat), with that country maintaining its position as Canada's leading agricultural export market for the second consecutive year. 1981 sales of agricultural and food products to Canada's main traditional markets were: the EEC ($1.38 billion), Japan ($1.34 billion) and the United States ($1.26 billion). Exports to the People's Republic of China showed a further substantial increase, reaching a record $713 million as a result of increased grain sales. China is likely to be an increasingly important market for Canadian wheat following the recent agreement to import an average of 3.85 million tonnes annually.

The leading exports were wheat at $3.7 billion (42% of Canada's total agricultural exports), rapeseed at $465 million, barley at $843 million (double 1981), pork at $349 million, and furs, hides and skins at $233 million, their lowest level in three years. Alberta was a major supplier of these leading exports plus livestock, semen, canola oil and meal, dehy alfalfa, peat moss, forage seeds, honey and malt whiskey.

Comparison of Exports of Agricultural Products to Principal Countries 1979, 1980, 1981

Country of Destination	1979	1980	Percent Change 1979–80	1981	Percent Change 1980–81
	(million dollars)			(million dollars)	
U.S.S.R.	444	1,297	+192	1,761	+36
Japan	1,089	1,025	− 6	1,345	+31
U.S.A.	1,007	1,113	+ 11	1,260	+13
EEC[a]	835	791	− 5	764[b]	− 3
China	414	531	+ 24	713	+34
United Kingdom	507	491	− 3	618	+26
TOTAL (principal countries)	4,296	5,248	+ 22	6,461	+23
Percent	71%	68%	− 3	74%	+ 6
Total All Countries	6,047	7,718.5	+ 27	8,777.5	+14

[a] Without United Kingdom.
[b] Includes Greece.

Source: Agricultural Trade Facts 1981, Marketing Economics Branch, Agricultural Canada, page 7

Top Five Countries and Their Most Important Imports From Canada in 1981

Country	Wheat	Barley	Rapeseed	Pork, fresh, frozen	Furs, Skins, Hides	Flaxseed	Vegetables (excluding potatoes)	Animal Feeds	Hard Spring Wheat Flour	Beef, and Dairy live Cattle
					(000 $)					
U.S.S.R.	950,314	444,023	---	---	1,809	---	46	---	89,913	---
Japan	337,802	192,000	389,356	179,528	5,323	37,773	8,980	48,486	580	3,684
U.S.A.	---	26,675	243	156,528	67,810	45,237	46,459	77,376	213	138,805
China	686,558	15,288	---	---	74	---	288	10	---	---
United Kingdom	347,242	---	5,309	333	18,192	13,897	34,882	34,950	---	952

Source: Agricultural Trade Facts 1981, Marketing Economics Branch, Agriculture Canada, Page 7

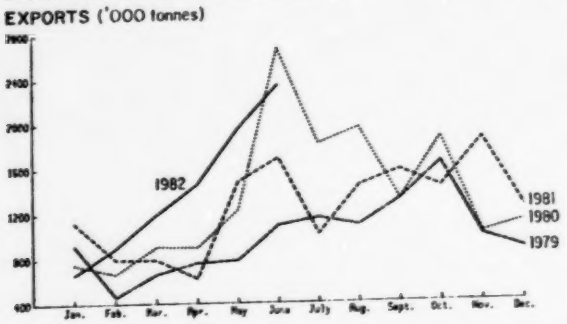
Top Ten Exports

Exports (Value – $000,000)	1979	1980		1981	
	Value	Value	Percent Change from 1979	Value	Percent Change from 1980
Wheat	2,179	3,795	+74	3,723	– 2
Barley	528	404	–24	843	+109
Rapeseed	631	422	–33	465	+ 10
Pork, fresh & frozen	223	276	+24	349	+ 26
Flaxseed	169	137	–19	226	+ 65
Hard Spring Wheat Flour	120	114	– 5	187	+ 64
Cattle, live	196	188	– 4	168	– 11
Beef, fresh & frozen	107	123	+15	143	+ 16
Evaporated Milk	55	87	+58	86	– 1
Skim Milk Powder	48	46	– 4	83	+ 80
Total Top Ten	4,256	5,592	+31	6,273	+ 12
Total Agricultural Products	6,047	7,718	+28	8,778	+ 14
Total All Commodities	64,317	74,259	+15	81,228	+ 9

Exports (Quantity – 000 tonnes)	1979	1980		1981	
	Volume	Volume	Percent Change from 1979	Volume	Percent Change from 1980
Wheat	11,690	16,754	+43	15,468	– 8
Barley	4,090	2,732	–33	4,763	+74
Rapeseed	1,988	1,358	–32	1,404	+ 3
Pork, fresh & frozen	76	114	+50	124	+ 9
Flaxseed	535	402	–25	599	+49
Hard Spring Wheat Flour	478	348	–27	446	+28
Cattle, live (000 head)	369	358	– 3	353	– 1
Beef, fresh & frozen	37	45	+22	57	+27
Evaporated Milk	74	102	+38	93	– 9
Skim Milk Powder	93	60	+37	62	+ 3

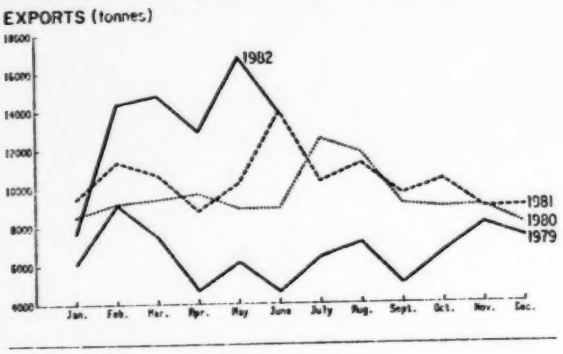
Source: Agricultural Trade Facts 1981, Marketing Economics Branch, Agriculture Canada, Page 4

CANADIAN EXPORTS OF WHEAT, JANUARY 1979 TO JUNE 1982



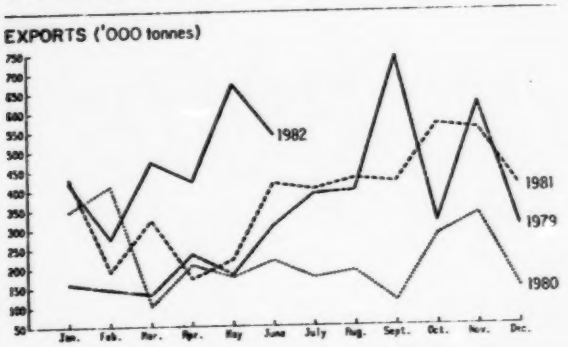
Source: Statistics Canada Trade Tapes

CANADIAN EXPORTS OF PORK (FRESH AND FROZEN), JANUARY 1979 TO JUNE 1982



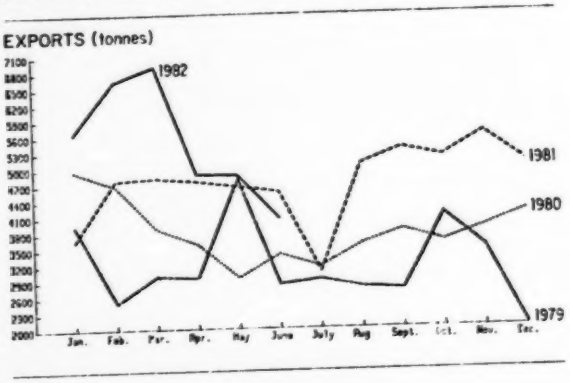
Source: Statistics Canada Trade Tapes

CANADIAN EXPORTS OF BARLEY, JANUARY 1979 TO JUNE 1982



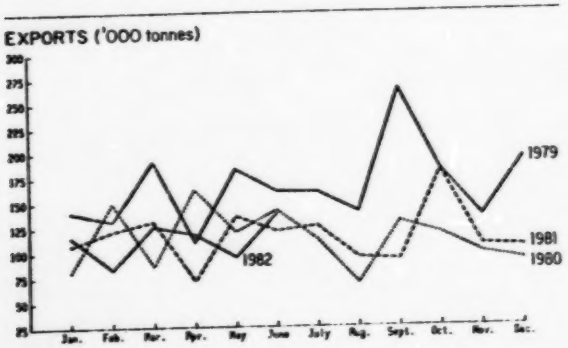
Source: Statistics Canada Trade Tapes

CANADIAN EXPORTS OF BEEF (FRESH AND FROZEN), JANUARY 1979 TO JUNE 1982

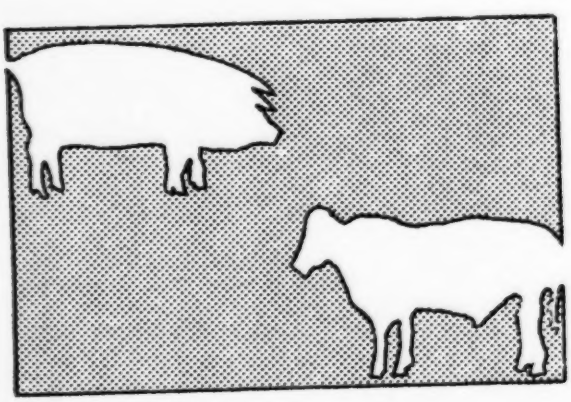


Source: Statistics Canada Trade Tapes

CANADIAN EXPORTS OF RAPESEED, JANUARY 1979 TO JUNE 1982



Source: Statistics Canada Trade Tapes



The Market Development Divsion of Alberta Agriculture, formed on December 3, 1982, is responsible for the development, coordination and implementation of services and support policies and programs that will optimize the export of Alberta's agricultural commodities, processed food and feed products, and technical services in Alberta, Canada and in export markets. The following is the text of the announcement made by the Assistant Deputy Minister of Marketing.

> "Barry Mehr, Assistant Deputy Minister, Marketing, announced the reorganization of the Marketing Sector to more effective-ly serve Alberta's food system. This is to be achieved by increasing market development and support services to the pro-vince's agricultural and food products industry through the utilization of all Department sector resources in program development. The Marketing Sector will provide service to Alberta's producers, processors and marketers to ensure that supply response is generated to opportunities that are identi-fied as achievable. The sector will be a highly skilled specialized group encouraging a market orientation to the Department's efforts at assisting the agri-food sector in achieving its opportunities.
>
> The Marketing Services Division, under its Director, Dennis Glover, will support and encourage the growth and develop-ment of Alberta's agriculture and food industry through the provision of comprehensive services of a specialized nature to assist the province's agri-food industry in meeting its market development objectives. This will be achieved through the Agriculture Processing Development Branch, the Business Analysis Branch, the Food Laboratory Branch and the newly created Agri-food Development Branch.
>
> The Market Development Division, under its Executive Director, Cliff Wulff, will provide market development assistance to Alberta's agriculture and food products sector. The Division will develop, coordinate and implement services and support policies and programs to optimize the development and pene-tration of markets in Alberta, Canada, the U.S.A. and abroad for agricultural commodities, processed food and feed products, and technical services."

The purpose and objectives of the new marketing group are:

Purpose:

To provide market development and support services to Alberta's agriculture and food products (agri-food) industry to optimize returns from market opportunities and encourage the development of "value-added" activity in the primary, secondary and tertiary sectors.

Objectives:

1. To evaluate market opportunities.
2. To coordinate and supply services to assist in achieving response to opportunities.
3. To liaise with and utilize established private and public sector resources.
4. To provide a mechanism for private sector input to the Department's policy and planning process.
5. To develop market and sector strategies and assist in the development of individual enterprise strategies.

MARKET DEVELOPMENT DIVISION

Purpose:

To develop, coordinate and implement services and support programs to optimize the market penetration of Alberta's agricultural commodities, processed food and feed products, and technical services.

Objectives:

1. To identify and analyze specific market opportunities in Alberta, Canada and internationally.
2. To establish contacts amongst marketers, buyers and sales agents.
3. To advise of market infrastructure, channels and methods of effective penetration.
4. To identify opportunities for "value-added" processing.
5. To initiate, plan, organize and participate in market development sales and strategy missions.
6. To assist Alberta's agri-food sector in participating in promotional activities and products shows.
7. To provide financial and consultative assistance to Alberta's agri-food industry for marketplace development projects.
8. To develop and implement market strategies.
9. To monitor, analyze and propose necessary changes and/or additions to Federal Government trade policies and programs to encourage effective market access for Alberta products.

MARKETING SERVICES DIVISION

Purpose:

To develop, coordinate and implement services of a specialized nature to optimize the returns from market opportunities to Alberta's agri-food industry.

Objectives:

1. To analyze and respond to identified development opportunities.
2. To encourage production response to take advantage of market or industry development opportunities.
3. To establish and maintain contacts with all segments of Alberta's agri-food sector and to be apprised and informed of the industry's supply capability, development objectives, current status and potential.
4. To support and pursue existing and new agri-food industry projects and processing opportunities.
5. To provide financial and technical assistance for development projects.
6. To utilize market strategies and, in consultation with government and industry, develop sector strategies.
7. To assist in the development of individual agri-food enterprise strategies.

Market Development will continue to have a market oriented approach to activities. Market priorities are established as follows:

1) Canada, particularly Alberta and B.C.
2) Pacific Northwest and Western U.S.A.
3) Japan/Korea
4) U.K./Germany
5) Mexico/Venezuela
6) USSR/Hungary/CSSR
7) People's Republic of China

Commodity priorities for the new market development division are as follows:

A) I. COMMODITIES

1. Livestock Sector
   a) Meats - beef, pork, processed meats
   b) Breeding stock - beef, swine, dairy, horses
   c) Technical A.I. Semen and embryo transplants
   d) Hides, tallow, meat, bonemeal, and offals

2. Canola/Oil, Meal and Seeds

   a) Canola oil - refined and crude
   b) Canola meal
   c) Canola seed

3. Special Crops (Field Crops)

   a) Forage seeds (clover, fescue, brome, alfalfa)
   b) Beans and pulses - beans, lentils, and pulses
   c) Alfalfa (dehy and sundried, cubes)
   d) Seed potatoes, table potatoes

4. Processed Products from grain and field crops, e.g. flour and pasta products, processed vegetables and processed food products.

5. Others:

   a) Peat Moss
   b) Horsemeat
   c) Flax, mustard flour and malt
   d) Dairy Products
   e) Leaf Cutter Bees
   f) Malting barley

II. Consultants

Fee for service and projects, i.e. for production of commodities or livestock and/or processing in nature (see item B II for the list of countries).

B) I. Commodities in Alberta

1. Alberta

   a) Processed foods (in general)
   b) meats, dairy
      i) processed meats
      ii) lamb
      iii) poultry
      iv) dairy (processed and variety cheeses, yogurt, etc)

c) Crops and horticulture
   i) Canola meal
   ii) pulses
   iii) potatoes
   iv) vegetables
   v) greenhouse flowers

d) Livestock

2. British Columbia

a) Processed foods (in general) e.g. cookies, perogies, honey, bottled water, tart shells, pasta, croutons, pancake flour, cooked cereals and dried mushrooms
b) Livestock
   i) swine
   ii) horses
   iii) sheep
   iv) dairy cattle
   v) semen/embryos

c) Meat
   i) beef
   ii) pork

d) Table potatoes

3. Manitoba and Saskatchewan

a) Value-added food products e.g. specialty cheeses, dairy products, perogies, cookies and tart shells
b) Meats
c) livestock

4. Eastern Canada

a) Meats
   i) beef
   ii) pork
b) Livestock
c) swine
d) Value-added food products

B) II. Consulting Services

Fee for service and projects:
   i) Caribbean (Barbados & Tobago)
   ii) Africa (Various)
   iii) China
   iv) South America (Venezuela, Peru)
   v) Central America (Costa Rica, Guatemala)

C) I. COMMODITIES BY COUNTRY

1. Livestock Sector

a) Meats
   i) Pacific Northwest & Western U.S.
   ii) Japan/Korea/Hong Kong
   iii) EEC - U.K./Germany
   iv) Caribbean/Mexico/Venezuela
   v) Middle East

b) Beef Cattle
   i) Korea
   ii) U.S.A.
   iii) Comecon countries (USSR, CSSR, Hungary, Bulgaria)
   iv) Mexico/Venezuela
   v) EEC (U.K./Germany)
   vi) Japan

c) Swine
   i) Japan
   ii) U.S.A.
   iii) B.C.
   iv) Mexico
   v) Comecon Countries (CSSR/Hungary)
   vi) Philippines/Malaysia

d) Horses
   i) Western Europe
   ii) Australia
   iii) Japan
   iv) U.S.A.

e) Dairy
   i) Korea
   ii) Mexico/Venezuela
   iii) Middle East

f) Semen/Embryos
   i) South America (Mexico, Venezuela, Argentina, Brazil)
   ii) Australia
   iii) U.S.A.
   iv) EEC (U.K., FRG, France)
   v) Comecon (USSR, Hungary, CSSR)

2. Canola

a) Oil - crude bulk
   i) India, Pakistan
   ii) Algeria, Morocco
   iii) Japan
   iv) USSR

Oil-Refined and bulk
i) Hong Kong
ii) Venezuela
iii) Middle East
iv) Mexico
v) Caribbean
vi) Columbia, Chile

Oil - Special refined in smaller containers
i) U.S.A.
ii) Venezuela
iii) Mexico
iv) Caribbean
v) Colombia, Chile

b) Meal
i) Pacific Northwest U.S.A.
ii) Korea/Japan
iii) Hungary
iv) Mexico
v) USSR
vi) Norway

c) Seed
i) Japan
ii) Mexico
iii) EEC

3. Special Crops (Field Crops)

a) Forage Seed and Grasses
i) EEC/Scandinavia
ii) Japan/Korea
iii) U.S.A.
iv) China
v) Argentina/Chile
vi) CSSR/Hungary/USSR

b) Pulses and Lentils
i) Venezuela and Andean Countries
ii) Egypt
iii) Central America
iv) EEC
v) North Africa

c) Alfalfa (dehy, sun and cube)
i) Japan/Korea
ii) EEC (Germany)

d) Seed Potatoes
i) U.S.A.

4. Processed Food Products

i) U.S.A. (direct and Safeway)
ii) Japan (direct and Safeway)
iii) Australia/Singapore/Hong Kong (direct and Safeway)
iv) Safeway overseas (U.K./Germany/Caribbean/Saudi Arabia/Mexico)

5. Others

a) Peat Moss
i) Japan
ii) U.S.A.
iii) Taiwan

Market development efforts, although concerned with the marketing of all agricultural commodities in both domestic and export markets, will concentrate on priority markets particularly with respect to "value-added" processed feed and food products, and technical services. Efforts will emphasize the above commodities and countries, these having been established on a basis of perceived domestic supply, strength of industry and market potential.

Assistance and services available from Market Development to Alberta companies and associations cover the entire marketing spectrum. They are:

- Analysis of domestic and world markets and identification of specific opportunities for Alberta suppliers, e.g. studies of market potentials and vis-a-vis Alberta's competitive position to serve these potentials.
- Establishing domestic and foreign contacts among exporters, foreign buyers and sales agents, processors, wholesalers and retailers.
- Advice on tariffs, health regulations, pricing, labelling, packaging, transportation, financing and other key aspects of export and domestic sales.
- Identification of agricultural processing opportunities and joint venture partners.

- Arranging and participating in outgoing sales and incoming buying missions.
- Assisting in domestic and international shows and other sales promotion activities.
- Financial assistance for market development projects both domestic and international.
- Seminars (both for suppliers and in the marketplace.
- Demonstration projects in the marketplace.
- Exchange of information through supplying technology and other educational information to develop a credibility base to provide an environment conducive to commercial activity.

The growth areas for Canadian exports in recent years, particularly for grain, have been provided by the USSR (36 percent in 1981), China (34 percent), and Japan (31 percent). Exports to all centrally planned economies have grown significantly in the last ten years. The developed countries like the EEC and the U.S.A. collectively remain the most important markets outside Alberta and Canada but their growth has slowed to levels that match increases in population and income. Exports to the Middle East and Africa have maintained a 35 percent share of total exports during 1979-81 with Algeria becoming one of the top ten markets for Canadian agricultural products primarily due to the canola oil contract but other sales as well. Central America has shown an average of 3 percent increase in market share to 11 percent, which is largely attributable to the growth in demand from Mexico and increasing exports to Brazil and Cuba.

As noted, wheat in 1981 continued to be the single largest export commodity. Other major export commodities were barley, rapeseed, and fresh and frozen pork. The value of barley exports more than doubled in 1981. Grain and oilseeds consistently account for approximately 80 percent of the agricultural commodities. If processed products like flour, meal, oil and animal feeds are included, this value increases to 83 percent.

Pork has become very important to export trade in the last few years. Despite stiff competition in the world market, pork exports have almost doubled in volume since 1979. Fresh and frozen pork, destined largely for Japan, amounted to $350 million in 1981, an increase of 26 percent over the previous year.

Live cattle and beef are the seventh and eighth most important export commodities. The major market is the United States.

Skim milk powder and evaporated milk exports, which have increased in recent years, are largely destined for developing countries. Mexico, Algeria, Nigeria and several Caribbean countries are important outlets for Canadian dairy products. The U.K., Cuba, Japan and Thailand and even the United States are importing dairy products.

In the period 1983-87, the Market Development Division will continue to evaluate market opportunities, liaise with Alberta's actual and potential suppliers and coordinate responses relative to Alberta's production capabilities. The techniques used will be those listed earlier or others required to provide an environment conducive to commercial activity. Assistance to Alberta's private sector will be provided through the coordination of the Department's resources and the resources of other provincial departments, the Federal Government's many offices and agencies in Edmonton, Ottawa and abroad.

Two major projects highlighted in the report to the Premier in the early fall of 1982 were the Korean Beef Cattle Demonstration Project and the development of an Alberta consolidator to export Alberta's food products. These and the many other activities lead to a very conservative estimate of some $270 million ($300 million in 1982) of business that was positively impacted upon by the Department's Market Development group in the export area for calendar 1981. The Market Development budget for the same period was $1.56 million (same in 1982). The Market Development Division will continue to encourage the growing utilization of domestic and international market opportunities for optimum development of Alberta's agricultural and food potentials.

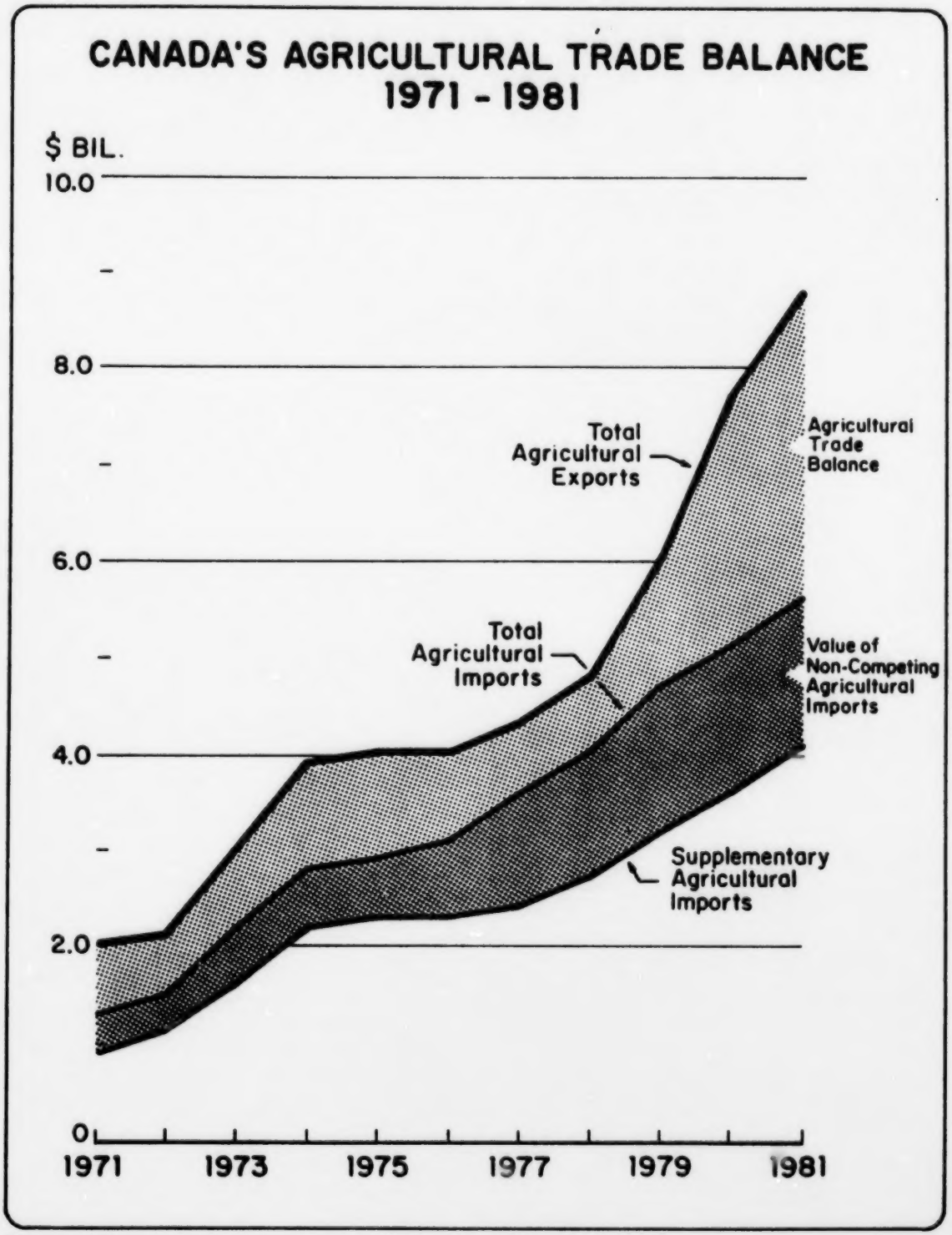


Figure 2

Source: Canada's Trade in Agricultural Products 1979, 1980, 1981 Agriculture Canada, page 17

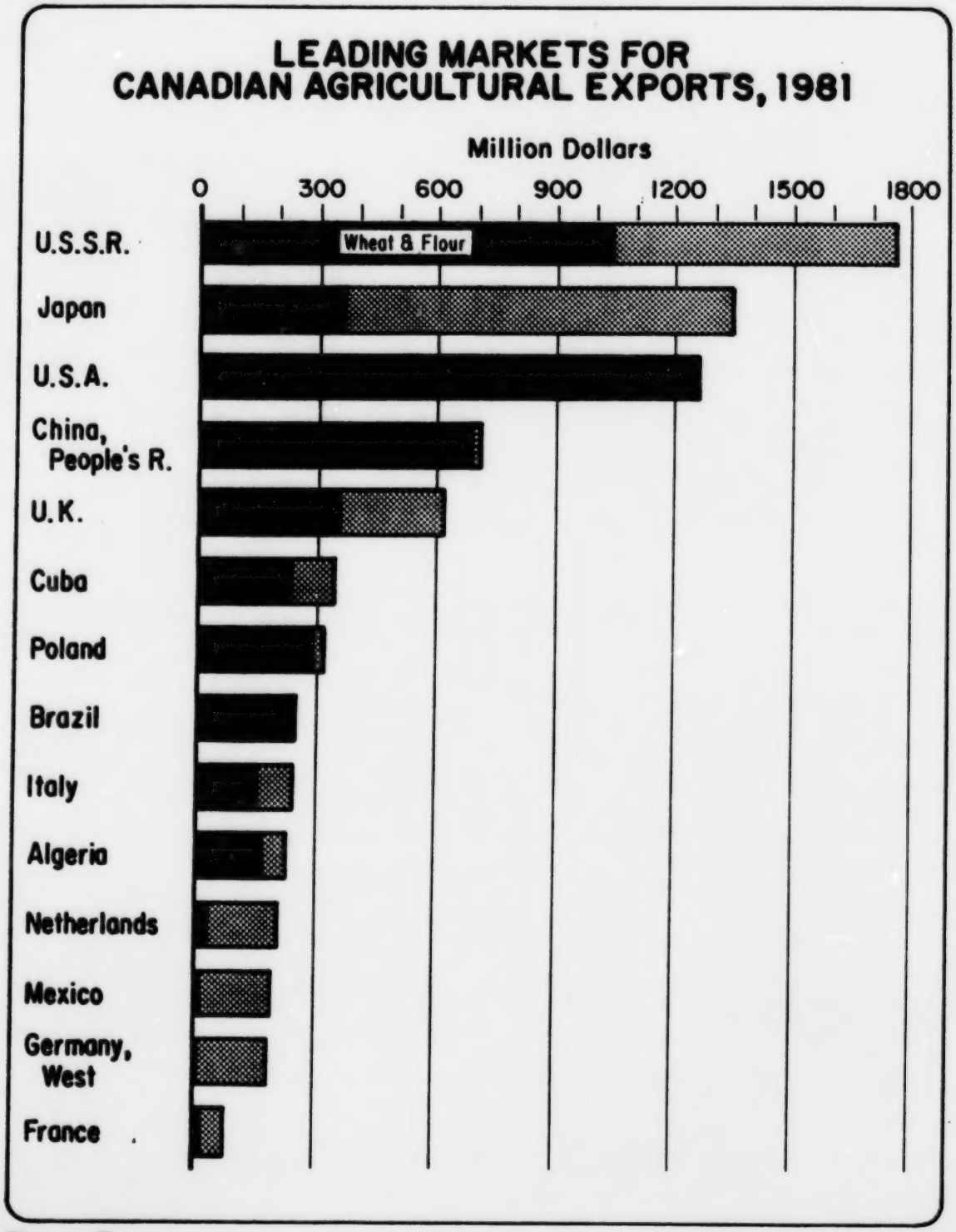


Figure 3

Source: Canada's Trade in Agricultural Products 1979, 1980, 1981 Agriculture Canada, page 49

Three year comparison of agricultural exports by major regions, 1979, 1980 and 1981

On a regional basis, agricultural exports experienced an important structural change in 1980 and this change continued into 1981. Both Poland and the USSR encountered serious production shortfalls in 1980 and 1981 and thus the value of exports to those countries increased over 100 percent from 1979 and over 30 percent in 1981. While this increased their market share significantly, as a geographical region, Asia (including Japan and China) is still the largest. Both Western Europe and North America have experienced relatively slow growth in export values (W. Europe in fact declined in 1980) and consequently their respective market shares have declined. Canadian exports to the Middle East and Africa have sustained a 3–5 percent share of our total value of exports.

Year	1979		1980		Percent	1981		Percent
Region	Value $000,000	% Exports	Value $000,000	% Exports	change from 1979	Value $000,000	% Exports	change from 1980
Western Europe	1,486	25	1,429	19	− 4	1,539	18	+ 8
EEC[a]	1,342	22	1,282	17	− 5	1,383[b]	16	+ 8
Others	144	3	147	2	+ 2	1,629	2	+10
Eastern Europe	698	12	1,623	21	+132	2,107	24	+30
USSR	445	7	1,297	17	+191	1,761	20	+36
Poland	186	3	284	4	+ 52	319	4	+11
Other Countries	63	2	42	–	− 34	27	–	−36
North America	1,010	17	1,116	15	+ 10	1,264	14	+13
USA	1,007	17	1,113	15	+ 11	1,260	14	+13
Asia	1,826	30	1,860	24	+ 2	2,321	26	+25
Japan	1,089	18	1,025	13	− 6	1,345	15	+31
China	414	7	531	7	+ 28	713	8	+34
Other Countries	323	5	304	4	− 6	263	4	−14
Middle East	201	3	269	4	+ 34	244	3	− 9
Africa	257	4	364	5	+ 41	290	3	−20
Oceania	19	3	23	1	+ 20	38	4	+65
South America	192	3	489	6	+154	318	4	−35
Brazil	124	2	411	5	+231	247	3	−40
Central America	356	6	546	7	+ 53	656	8	+20
Mexico	38	1	101	1	+166	192	2	+90
TOTAL	6,047	100	7,719	100	+ 27	8,778	100	+14
Developed	3,650	60	3,627	47	− 2	4,226	48	+17
Developing	1,076	18	1,604	21	+ 49	1,386	16	−14
Centrally Planned	1,321	22	2,487	32	+ 88	3,165	36	+27

[a] 1979 and 1980 EEC is defined as the EEC-9.

[b] 1981 includes Greece.

1982 exports: early trends and outlook

Indications are that 1982 is shaping up to be another record year for exports. While cereal grain prices are depressed, volumes are such that total value of exports will likely increase over 1981 levels. A recovery in oilseed prices combined with higher acreages this year should result in strong export values for Canadian canola (rapeseed) and flaxseed. While pork and beef exports are up slightly, exports of live cattle, showed major increases in the first quarter. This was largely due to a recovery from the usually low exports in 1981 when the Canadian slaughter cattle market was stronger than the USA and the currently reversed position of strong slaughter cattle prices in the USA. Skim milk powder exports experienced a major increase in 1981, which was due to excessive domestic supplies and production. Early trends show that export values for fruits and nuts, and vegetables exhibit no significant change over 1980.

Source: Agricultural Trade Facts 1981, Marketing Economics Branch Agriculture Canada, page 9

1982 Exports: Early Trends and Outlook

Exports - Value	January June	
	1981	1982
	(million dollars)	
All Exports	40,954	42,836
Total Agricultural Exports	4,019	4,528
Total of Listed Grains	2,374	2,715
Wheat	1,634	1,923
Barley	317	473
Total of Grain Products	142	94
Hard Spring Wheat Flour	91	37
Total of Oilseeds	392	327
Rapeseed/Canola	227	224
Flaxseed	106	57
Total Oilseed Products	119	90
Total Livestock and Products		
Live Cattle	62	115
Beef and Veal (fresh & frozen)	67	84
Pork (fresh & frozen)	180	239
Total of Dairy Products	79	114
Skim Milk Powder	18	50
Total of Fruits and Nuts	39	42
Apples and Crab Apples, fresh	20	25
Total of Vegetables (excl. potatoes)	103	99
Peas, whole, dried	6	19
Total of Potatoes and Products	46	59

Exports - Quantity	January June	
	1981	1982
	('000 metric tonnes)	
1. Grains and Grain Products		
Wheat	6,526	8,484
Hard Spring Wheat Flour	213	103
Barley	1,748	2,821
2. Oilseeds and Products		
Rapeseed/Canola	688	674
Flaxseed	273	161
Rapeseed Oil, Cake and Meal	85	77
3. Livestock and Products		
Live Cattle (no. of head)	153,000	260,000
Beef and Veal (fresh & frozen)	27	33
Pork (fresh & frozen)	64	80
4. Dairy Products		
Skim Milk Powder	14	37
5. Fruits and Nuts		
Apples and Crab Apples, fresh	45	40
6. Vegetables		
Peas, whole, dried	18	53
7. Potatoes and Products	179	251

Source: Agricultural Trade Facts 1981, Marketing Economics Branch Agriculture Canada, page 10